GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7244
ANSWERED ON:12.05.2000
RATE OF POVERTY
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Will the Minister of FINANCE be pleased to state:

(a) Whether IMF has drawn the attention of the Indian Governmenttowards the country`s uneven progress and high rate of poverty through its report `World Economic Outlook`;

(b) If so, the details and facts thereof;

(c) the reaction of the Government towards the criticism made by IMF; and

(d) the steps the Government propose to take to remove the poverty from the country upto the world level.

Answer

Minister of State in the Ministry of Finance (Shri Balasaheb Vikhe Patil)

(a) & (b) Recent issue of World Economic Outlook (February 2000) observesthat India has been among the fast growing economies in the world over the last two decades and has achieved trend improvements in growth, literacy, mortality and poverty rates. In recent years, deft handling of monetary policy has helped India to successfully weather the Asian crisis, while maintaining low inflation and a comfortable external position. Yet despite these gains, poverty rates remain high, with more than a third of the population still living below the official poverty line.

Further, the poverty rate remains very high, and the impressive rate of decline from the mid-1970s through the 1980s may have slowed. This outcome partly reflects the relatively poor performance of the agricultural sector during the 1990s, since some 70 percent of the labour force still relies on the land for its livelihood.

(c) & (d): The specific objectives of the Ninth Five Year Plan (1997-2002) such as

(i) priority to agriculture and rural development with a view to generating adequate productive employment and eradication of poverty;

(ii) accelerating the growth rate of the economy with stable prices;

(iii) ensuring food and nutritional security for all, particularly the vulnerable sections of the society; and

(iv) providing the basic minimum services of safe drinking water, primary health care facilities, universal primary education, shelter, and connectivity to all in a time bound manner are expected to speed up the tempo of development process in the country. Some of the steps to achieve these are detailed in the Ninth Five-Year Plan.